

Frequently Asked Questions (FAQ)
LOUISIANA HOUSING CORPORATION (LHC)
2014 FALL AFFORDABLE HOUSING INITIATIVE
NOTICE OF FUNDING AVAILABILITY (NOFA)

NOTE: The questions below are only minimally edited and are in the same or nearly the same form as submitted to the Corporation. Responses to the Frequently Asked Questions are provided as a courtesy to our developers and meant to provide clarification with regard to the 2014 Fall Affordable Housing Initiative Notice of Funding Availability (NOFA). Be advised that the NOFA and the 2014 Special Interim Qualified Allocation Plan (QAP) are the controlling documents and responses below are not intended to circumvent or substitute any of the directives or requirements of the NOFA or QAP.

- 1. Q: Can a project funded with HOME funds under an earlier LHC NOFA apply under this NOFA and receive an award?**

A: No.

- 2. Q: The NOFA suggests that funds procured through the NOFA are available only for 4% Bond deals. Is this correct?**

A: Yes, only applications that include the use of 4% Tax Credits and Multi Family Bonds (Bonds) issued by LHC are eligible for consideration.

- 3. Q: If developer fees must be deferred, are they paid in priority before the cash flow payable loan, or in pari passu?**

A: Yes, the deferred developer fee will be paid on a pari passu basis with the repayment of the HOME loan, subject to all applicable tax credit requirements.

- 4. Q: The Goals and Objectives section (on page 2 of the NOFA) specifically mention Rural Development (RD) preservation projects. Are projects funded by other sources (HUD 202, BMIR, 811 etc) provided they meet all the other requirements also eligible for the preservation points?**

A: In accordance with the Scoring Criteria on page 17 of the NOFA, 10 points are only awarded for rehabilitation projects previously awarded Low Income Housing Tax Credits (LIHTC) or Rural Development (RD) funded projects that are outside of the LIHTC

compliance period. 5 points are awarded for projects with existing HAP contracts on at least 50% of its units. A maximum of 15 points may be awarded under this category.

5. **Q: The NOFA states that projects previously financed with HOME funds cannot receive additional HOME assistance unless they are within a year after project completion. Is this type of gap financing also available to projects previously awarded 9% tax credits?**

A: No, only applications that include the use of 4% Tax Credits and Multi Family Bonds (Bonds) issued by LHC are eligible for consideration.

6. **Q: Can Permanent Supportive Housing (PSH) services administered by LHC/Louisiana Housing Authority be extended to developments already possessing 100% Section 8 for its disabled residents wishing to age in place?**

A: All projects requesting Permanent Supportive Housing will be reviewed by the Permanent Supportive Housing Executive Management Counsel for eligibility.

7. **Q: The NOFA includes a definition for tenant based rental assistance (TBRA). By including that definition, can it be assumed that TBRA constitutes an eligible use of funds through this NOFA?**

A: No, tenant based rental assistance is only included as reference in the definition of income targeting.

8. **Q: It appears that some federally designated Katrina Rita Disaster Parishes might have been excluded. Was this intentional?**

A: LHC is targeting the parishes listed in the NOFA.

9. **Q: Are 10 points available for leveraging available when a local jurisdiction utilizes other federal sources for the leverage?**

A: Federal funds utilized by a local jurisdiction may be considered as leverage. According to page 17, Part II:

10 points are awarded for projects evidencing leveraging of Soft Funds and 4% tax credits with local governmental funding or support greater than 7% of the project's development cost.

5 points are awarded for projects evidencing leveraging of Soft Funds and 4% tax credits with local governmental funding or support greater than 3% of the project's development costs.

10. Q: Can a single project apply for and receive both Community Housing Development Organization (CHDO) and Community Development Block Grant (CDBG) funds?

A: No, an applicant cannot submit two applications for the same project. If an application is submitted and awarded under the CHDO pool, it will be awarded HOME funds.

11. Q: What's the range of award amount applicants can receive from CDBG funds? From CHDO funds?

A: The maximum award of soft funds is \$1,500,000 regardless of the pool.

12. Q: Are CHDO funds for inside or outside Katrina-Rita parishes?

A: The CHDO set aside may be awarded in any of the 64 parishes in the state.

13. Q: Can a single project apply and receive funds from both the fall and mentioned spring Initiatives?

A: The timing and parameters of the Spring NOFA is not definite. Therefore this question cannot be answered at this time.

14. Q: Are only applications that include the use of 4% Tax Credits and Multi Family Bonds (Bonds) issued by LHC eligible for consideration?

A. Yes.

15. Q: Are veterans considered a targeted population for this initiative?

A: No.

16. Q: The NOFA states that a Performance Bond is a “threshold requirement”. Does this mean that it is due at application?

A: No, the NOFA on page 5, under the Financial Sustainability section clearly states: “Each funded application that receives an award of Soft Funds will be required to post a performance bond or provide proof of minimum net financial resources during the period of construction...” as such it is not due at the time of application. It is listed as a threshold requirement in that if the awardee does not provide it at the time required the award shall be cancelled as this is a threshold for receiving the award.

17. Q: Several developers are interested in doing pooled bond transactions composed of several smaller rural housing facilities. This would typically be done under one bond application. Could they submit a single application for soft funds under this scenario as well?

A: No, the NOFA is for projects. A project is defined in the NOFA on page 16 as: "A site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with HOME Funds as a single undertaking located within a 5 mile radius of each other within in a single governmental entity..." Multiple sites, under multiple ownership, in multiple governmental entities, would therefore not qualify.

18. Q: How will the applications be scored? Is it only the items in the NOFA or does it include those in the QAP.

A: Scoring will include scoring criteria from both the NOFA and the QAP. As stated on Page 17 of the NOFA, "in addition to points requested via the LIHTC 2014 Special Interim QAP, applicants may select the following additional points as indicated in the NOFA."

19. Q: Can two projects be submitted by the same developer in the same parish?

A: Yes, two different projects can be submitted by the same developer. However the same project may not be submitted twice such as for CHDO and Non-CHDO.

20. Q: Would restoration tax abatement be counted as local government support funding/leverage?

A: Yes. To be counted as local government support funding/leverage, the application must include a worksheet detailing the value must be submitted as well as the local resolution approving the abatement.

21. Q: If a project has been submitted previously for funding would the applicant be able to rely on previously submitted exhibits or would they be required to reload entirely or upload the exhibits?

A: No, each application stands on its own. As such all required documents must be submitted when the application is filed.

22. Q: Will it be one excel application (the traditional application), or a separate application?

A: Applicants must submit the completed 2014 LIHTC Excel Application which is on line with all applicable attachments of support including scoring criteria detailed in the NOFA. A completed Bond application must also be submitted.

23. Q: On page 18 of the NOFA Item #1 under Readiness to Proceed 2.5 points are given for “...sites that have obtained discretionary public land use approvals...” while Item #4 awards 2.5 points for a “Project is ready to proceed without requiring any additional development approvals.” How are these two different?

A: Item #1 refers to the project having obtained proper zoning and land use approvals. Item #4 refers to the project not needing any further development governmental approvals. For example, wetlands permitting through the U.S. Army Corps of Engineers or remediation for a known environmental hazard based upon past contamination by toxic waste. These are only two examples and not meant to be an exhaustive list.

24. Q. I noticed that under the CROSS CUTTING FEDERAL REQUIREMENTS section is listed marketing studies. What is required for this item? Who specifically selects the firm to do the study, when are they undertaken and who pays for the study?

A: LHC will order the market study. Applicants are required to submit at time of application the Market Study non-refundable fee of \$4,500. In addition, refer to the fee schedule located on page 9 of the 2014 QAP for the appropriate application and analysis fees which are also due at the time the application is submitted.

25. Q. Is the NOFA only for Rental Development or can it be used for the building of low-income single family homes?

A: The NOFA is for only rental development.

26. Q. What is the definition of “previously unfunded CHDO”?

A: A state designated CHDO which has not ever received HOME project funding through LHC/LHFA.